Chairman Sununu and distinguished members,

Thank you for providing me this opportunity to appear before the committee to update you on the Department of State’s efforts, in close cooperation with the Department of Homeland Security, to strengthen U.S. border security and facilitate international travel through the Western Hemisphere Travel Initiative (WHTI).

I am pleased to participate with Bob Jacksta of the Department of Homeland Security at this hearing. Our joint appearance symbolizes the effective partnership between State and DHS, which is essential to the efficient implementation of WHTI. As Mr. Jacksta has focused on the policy rationale for WHTI, I would like to focus on the question of “how” this challenging program will be implemented. This division of responsibilities recognizes the authority of the Secretary of State to adjudicate nationality. The State Department will issue most of the travel and identity documents that will allow Americans to comply easily and at relatively low cost with the requirements of WHTI.

Both State and DHS recognize that perhaps the greatest challenge of WHTI is that it requires a change in travel behavior by the millions of people who are used to traveling across our land borders with little or no documentation. We must implement this program in an intelligent fashion that facilitates compliance. We think we have a sound plan, although it can always be improved through hearings like this and recommendations from the public through the rulemaking process.

Consistent with our commitment to improve the program, we have divided the schedule into two phases:

- As of 1 January 2007 for travelers returning by air or sea from Canada, Mexico or the Caribbean; (I also wish to assure the
committee that we are looking closely at this date in light of concerns raised by the travel industry that the current deadline of 12/31/2006 falls in the middle of the peak holiday travel season. That may be reason for a short delay in implementation of the Phase 1 deadline.)

- As of 1 January 2008 for travelers returning across U.S. land borders with Canada or Mexico.

We believe this schedule balances appropriately the challenges of implementation while securing quickly some of the significant security and travel facilitation advantages offered by WHTI.

Determining the number of persons affected by WHTI is, obviously, a matter of intense interest to the Department of State. According to research which State commissioned, about 6 million Americans who do not have a passport will require formal documents to travel to the Caribbean, Canada or Mexico by air or sea; there is also a recurring new demand of about 1 million such travelers per year. For cross-land border travel to Mexico or Canada, we have determined that approximately 27 million Americans may need formal documents to travel during the next five years.

Many Americans are already applying for passports to come into compliance with this program. Passport demand has nearly doubled between FY-2003 and the current year. In FY-2003, we adjudicated fewer than 7 million passports here in the U.S. This year, we will adjudicate about 13 million passport applications, fueled by factors such as:

- Increasing international travel;
- More naturalizations;
- Americans using their passport as an identity document for reasons other than international travel;
- A growing percentage of passport holders renewing their passport when it is about to expire;
- And, the Western Hemisphere Travel Initiative.

We expect that the number of applications for passports in the United States will reach about 16 million in FY-2007 and perhaps a sustained demand of 17 million or more in FY-2008 and beyond. I would also like to note that even though “only” 68 million Americans have passports, the United States issues more passports than any other nation and, in fact, processes more
passport applications than numbers 2 (the United Kingdom) and 3 (Germany) combined.

Of course, we still have much work to do to help Americans comply with the legislation that WHTI is implementing. The Department of State has a multi-year effort underway to increase our passport adjudication and production capacity. With support from this committee in FY-2005, we were able to secure approval to hire an additional 105 government employees to provide “inherently governmental” passport services, especially the critical determination that an individual is a U.S. citizen and qualifies for the passport he or she is seeking.

More recently, and in response to surging demand for passports, we received approval to hire an additional 130 government personnel to adjudicate passport applications. And, let me assure you that the Department has also made commensurate increases in private sector staff at our passport facilities. This contract staff handles many of the support and production aspects of the U.S. passport program. Without their help and our effective public/private partnership, we would not be able to deal effectively with surging demand for U.S. passports.

The U.S. passport is undoubtedly the world’s premiere identity and nationality document. One of the key objectives of the Department’s Bureau of Consular Affairs is to ensure that passport services are provided in a secure, efficient and courteous manner. At the same time, we need to make our application process as convenient as possible at our 17 passport agencies around the United States. Currently, there are more than 7,500 sites at post offices, clerks of court or other government offices nationwide where citizens can apply for a passport. We have significantly expanded our network of passport acceptance agents in the last several years and we continue to work with our acceptance agent partners to make the passport application process easily accessible to all Americans.

Based on comments expressed during our outreach efforts and the publication of our joint advanced notice of proposed rulemaking, both State and DHS recognize that there are many circumstances where obtaining a book-style U.S. passport is not the optimal solution for travel – particularly in communities along the northern and southern borders. As part of their joint vision, Secure Borders, Open Doors in the Information Age, Secretaries Rice and Chertoff announced in January the development of a passport card,
which will be a secure, credit-card-sized citizenship and identity document that carries the rights and privileges of a standard U.S. passport, but which may only be used for travel across U.S. land borders. The passport card will be adjudicated and issued by the Department of State to the exact same standards as the traditional, book-style passport. The passport card will be produced as part of a system of Border Management travel documents called People, Access, Security, Service (PASS) and will serve as a platform for the Department of Homeland Security’s Registered Traveler Program.

This passport card will be considerably less expensive than a traditional, book-style passport. The State Department has a goal of reducing the cost as much as possible below the $97.00 cost for someone making their first application for the traditional passport book. We anticipate that the validity period will be the same as the passport book, 10 years for adults, and 5 years for minors under age 16.

State and DHS are working together to develop the technical requirements for the card. State plans to publish a request for proposals associated with this card. Both Departments are working to determine the best technology to address security requirements, privacy concerns and civil liberties issues such as data integrity and prompt redress procedures, in order to facilitate cross-border travel. Harnessing cutting edge technology as part of the WHTI solution will help us to bring the land borders into the 21st century. Finally, this card will be subject to its own rule-making process later this year under Department of State auspices. In that rulemaking, we will also propose the relevant fees for the passport card.

Both the Department of State and the Department of Homeland Security recognize that there are a host of issues that must be addressed thoroughly to implement the WHTI smoothly and successfully. A critical part of successful implementation is public participation in the regulatory process. With this in mind, we will continue to solicit public comments and provide the public an opportunity not just to comment upon any rules, but also to offer concrete suggestions as to how this process can be improved. In addition and in concert with our colleagues at DHS, we have engaged in numerous meetings with the public and with stakeholders, and we will continue to do so. I also want to assure you that both State and DHS are committed to extensive public outreach, including with your constituents, to explain WHTI and our plans to facilitate compliance, in a manner fully consistent with the requirements of the regulatory process. If you have any
such events planned, please let us know and we will be pleased to send a representative.

The Department of State is also engaged with our hemispheric neighbors to make sure that they are aware of the requirements of the WHTI. We want to ensure that they comply with WHTI without hindering the legitimate flow of people and goods between our nations.

In conclusion, I want to take this opportunity to thank the Congress in general and this Committee in particular for your support for the implementation of WHTI. Of particular note was passage last December of the “Passport Services Enhancement Act of 2005” that provides the Department of State with critical fee retention authority but does so in a creative fashion that does not raise overall fees to a passport applicant. Thank you for providing the Department with this important tool.

At this time, I am happy to answer any questions you might have.